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BOLIVIA

**DEVELOPING E-COMMERCE OPPORTUNITIES FOR SMES IN THE
SANTA CRUZ REGION**

(TC-02-01-03-7-BO)

DONORS MEMORANDUM

This document was prepared by the project team consisting of: Masami Yamamori (RE1/FI1), Project Team Leader; Flora Painter (RE1/FI1); Maritza Vela (MIF); Fernando Catalano (COF/CBO); Eddy Linares (COF/CBO); Antonio Ca'Zorzi (SDS/ICT); Pablo Valenti (SDS/ICT); Paula Giraldez (LEG/OPR); and Haydemar Cova (RE1/FI1).

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Annex I Logical framework

INFORMATION AVAILABLE IN THE RE2/SO2 TECHNICAL FILES

Preparation:

Global Information Technology Report 2001-2002.

ICT at a Glance, The World Bank, 2002.

“Desarrollo de oportunidades de Comercio Electrónico para las PyMES en la región de Santa Cruz” [Developing E-commerce Opportunities for SMEs in the Santa Cruz Region], Final report by Lourdes Reyes (RE1/FI1 consultant).

“Diagnóstico del uso de Internet y el comercio electrónico por el sector privado en la Ciudad de Santa Cruz de la Sierra” [Diagnostic Study of Private Sector Use of the Internet and E-Commerce in the City of Santa Cruz de la Sierra]. Universidad Privada de Santa Cruz de la Sierra, 2001, Santa Cruz, Bolivia.

Román, Enrique. *“Programa de Conectividad Internet para las PyMEs Chilenas”* [Internet Connectivity Program for Chilean SMEs], in *Desarrollo de la Pequeña Empresa* [Small Business Development], 1999, London.

“Prácticas de Comercio y Negocios Electrónicos—Recomendaciones para su Aplicación en las PyMEs” [E-Commerce and E-Business Practices—Recommendations for their Application by SMEs], FUNDES Argentina, 2002.

“E-Bolivi@: Lineamientos para la Estrategia de Bolivia en la Era Digital” [E-Bolivi@: Guidelines for Bolivia’s Strategy in the Digital Age], Office of the President of the Republic, 2002, La Paz, Bolivia.

Execution:

Draft agreement for the Regional E-Business Council

Draft terms of reference for consulting services

Project MPPMR

Itemized project budget

Timeline of activities

Draft project Operating Regulations

ABBREVIATIONS

ADSIB	<i>Agencia para el Desarrollo de la Sociedad de la Información</i> [Agency for the Development of the Bolivian Information Society]
B2B	Business-to-business
CAINCO	<i>Cámara de Industria, Comercio y Servicios de Santa Cruz</i> [Santa Cruz Chamber of Industry, Commerce, and Services]
CCyDE	<i>Centro de Competitividad y Desarrollo Empresarial</i> [Center for Competitiveness and Business Development]
CESI	Committee on Environment and Social Impact
CRNE	<i>Consejo Regional de Negocios Electrónicos</i> [Regional E-Business Council]
EU	Executing Unit
FUNDES	<i>Fundación para el Desarrollo Sostenible en América Latina</i> [Foundation for Sustainable Development in Latin America]
GDP	Gross domestic product
ICT	Information and communication technology
ISP	Internet Service Provider
MIF	Multilateral Investment Fund
SMEs	Small and medium-sized enterprises

DEVELOPING E-COMMERCE OPPORTUNITIES FOR SMEs IN THE SANTA CRUZ REGION

(TC-02-01-03-7-BO)

EXECUTIVE SUMMARY

Executing agency:	Santa Cruz Chamber of Industry, Commerce and Services (CAINCO)	
Beneficiaries:	<p>The proposed project will help to resolve the problems faced by Santa Cruz businessmen every day in their effort to incorporate electronic tools to benefit their business activities.</p> <p>The project will offer a broad range of technology services designed specifically to facilitate the entry of small and medium-sized enterprises (SMEs) into the e-commerce market. The execution of this project is expected to produce the following outcomes: (i) between 400 and 500 Santa Cruz enterprises will develop the potential to use e-commerce tools; (ii) 50 local professionals will become consultants specializing in providing technology consulting services to SMEs; (iii) 45 SMEs will receive consulting services in the implementation of the sector-specific e-commerce strategy; (iv) 30 businesses will obtain a seal of confidence; (v) 40 businesses will obtain digital certification; and (vi) 60 SMEs will achieve a permanent virtual presence through electronic catalogs placed on an internationally recognized digital portal. In addition, the project will leave in place a private regional coordinating body to promote security and confidence in e-commerce.</p>	
Financing:	Modality:	Nonreimbursable
	MIF (Facility III-A)	US\$626,000
	Local counterpart:	<u>US\$264,000</u>
	Total:	US\$890,000
Objectives:	<p>The overall goal of this project is to contribute to the creation of a regional model for developing e-commerce opportunities for SMEs that can be replicated in other regions of Bolivia. The specific objective is to expand the number of SMEs in the Santa Cruz region that use e-commerce tools to improve the management and performance of their businesses.</p>	

Description: The project comprises four components, as follows:

Component 1. Developing the potential for the use of e-commerce tools: This involves implementing three parallel actions: activities to raise the awareness of SMEs about the benefits of using electronic tools in developing business opportunities; workshops on specific topics relating to information and communication technologies (ICTs) for businesses that are in a position to utilize them on a continual basis; and workshops for businesses in those sectors that stimulate demand for the use of these technologies.

Component 2. Enhancing the availability of services to assist SMEs with e-commerce development: This component seeks to enhance the quality of local technology services available to SMEs by holding training courses for local professionals so that they might in turn become consultants specializing in providing technology consulting services to SMEs.

Component 3. Integrating SMEs into the e-commerce market: The objective of this component is to provide various essential technology services that can facilitate the entry of Santa Cruz SMEs into the e-commerce market.

Component 4. Establishing a regional model for promoting e-commerce security: The aim of this component is to establish a regional model to promote security in e-commerce in the Santa Cruz region. Toward this end, the project will support the creation and operation of the Regional (Santa Cruz) E-Business Council (CRNE).

Execution timetable: The execution period for this project will be 36 months; the disbursement period will be 42 months.

Environmental and social review: The Committee on Environment and Social Impact (CESI) reviewed the abstract corresponding to this operation during meeting 18-03 of 16 May 2003, requiring no evaluations or special actions. It recommended to the project team that the Operating Regulations' eligibility criteria to be met by participating businesses include a good track record in terms of complying with applicable environmental regulations pertaining to environmental protection, appropriate management or use of natural resources, and occupational health and safety (paragraph 4.11).

**Special
contractual
clauses:**

As conditions precedent to the first disbursement of funds, CAINCO will present the following to the Bank's satisfaction: (i) evidence that the project Executing Unit has been created (paragraph 4.4); and (ii) the final version of the Operating Regulations (paragraph 4.4). Moreover, the disbursement of Component 4 resources will be contingent upon the presentation of evidence that the Regional E-Business Council has been formed (paragraph 3.19).

**Exceptions to
Bank policy:**

None.

I. PROJECT ELIGIBILITY

- 1.1 The Republic of Bolivia was declared eligible for all Multilateral Investment Fund (MIF) financing facilities on 6 October 1993. The proposed project is part of a cluster of projects aimed at strengthening the competitiveness of SMEs through the use of information and communication technologies (ICTs) (MIF/GN-83).

II. BACKGROUND

A. Development of e-commerce in the Department of Santa Cruz

- 2.1 Owing to the diversity of its production and the fact that it is the most industrialized region in the country, the Department of Santa Cruz, with a population of 2.1 million inhabitants (approximately 24 percent of the country's population), is one of the areas with the greatest potential and best outlook for growth in Bolivia. Indeed, the Department of Santa Cruz, whose contribution to the gross domestic product (GDP) rose to 32 percent in 2001, has significant agricultural resources (generating more than half of all agricultural production) as well as industrial, commercial, service, tourism, mining and energy capabilities developed largely thanks to the strong dynamism of its business community.
- 2.2 Small and medium-sized enterprises (SMEs) in Santa Cruz represent a significant sector, particularly because of their potential as exporters of non-traditional products. It is estimated that there are approximately 60,000 businesses in this region, of which 91 percent are SMEs with fewer than 50 employees.
- 2.3 One pending challenge for many of these businesses is the incorporation of information and communication technologies (ICTs) that will enable them to become more competitive. In fact, ICTs, which greatly facilitate cost and time savings in business activities, can be especially relevant for SMEs in Santa Cruz and more generally, in Bolivia, where the country's topography increases communication and transport costs. However, the Santa Cruz business sector has not been able to take advantage of this new way of doing business thus far.¹
- 2.4 With regard to the development of ICT infrastructure, Bolivia undoubtedly finds itself at a disadvantage.² However, trends in some of the country's technology indexes indicate that Internet use is rapidly increasing among its urban population. The number of Internet users increased from 5,000 in 1995 to 120,000 in 2001.³

¹ According to the Global Information Technology Report 2001-2002, Bolivia placed second to last in the index of e-commerce use amongst the 75 countries analyzed.

² The average number of telephone lines and personal computers per 100 inhabitants are 6.17 and 1.2, respectively.

³ Data provided by "ICT at a Glance", The World Bank, 2002.

From 1999 to 2001, Internet hosting⁴ services increased from 0.015 to 1.59 per 10,000 inhabitants. There are currently 19 Internet Service Providers (ISPs) in the local market, primarily offering service to users in the three major cities at an average cost of US\$9.07 per month plus connection costs. According to figures provided by the Superintendency for Telecommunications, approximately 49 percent of the country's Internet users are located in the Department of Santa Cruz.

- 2.5 These data indicate that in Santa Cruz, telecommunications infrastructure is no longer the main obstacle limiting Internet use. Rather, it is believed that businesses do not use the Internet to conduct their business because: (i) they do not know enough about ICTs and e-commerce techniques to be able to translate them into any commercial profit; (ii) they contend with a very newly developing local technology services market for businesses; and (iii) they do not trust the security of electronic transactions.

B. Principal factors hindering the development of e-commerce in Bolivia

- 2.6 **Lack of knowledge about ICT and e-commerce:** As the Internet becomes a significant means of communication amongst the citizens of Bolivia, interest on the part of Santa Cruz businesses in exploring opportunities to expand their business into the e-commerce market also increases. According to an April 2003 survey of business members of the Santa Cruz Chamber of Industry, Commerce and Services (CAINCO)⁵ of 1,200 businesses, 640 are connected to the Internet. The responses of 248 of the businesses surveyed indicated that more than 60 percent of them use the Internet on a daily basis, but only to check e-mail and search for information. Additionally, 41 percent of the businesses have developed web pages, but many of those are incomplete. According to the survey, some of the business people stated that they have no idea how to optimize the pages they have. The lack of knowledge about e-commerce techniques on the part of business people is an issue also highlighted in another survey on Internet use by the Santa Cruz business community.⁶ According to this survey, from a sample of 258 businesses, 83 percent used the Internet, but over 85 percent responded that they did not know what types of benefits it could bring them.

⁴ Internet hosts: active internet servers. A standard measure of comparison is the number of hosts per 10,000 inhabitants.

⁵ “*Desarrollo de oportunidades de Comercio Electrónico para las PyMES en la región de Santa Cruz*” [Developing E-commerce Opportunities for SMEs in the Santa Cruz Region].

⁶ “*Diagnóstico del uso de Internet y el comercio electrónico por el sector privado en la ciudad de Santa Cruz de la Sierra*” [Diagnostic Study of Private Sector Use of the Internet and E-Commerce in the City of Santa Cruz de la Sierra]. Universidad Privada de Santa Cruz de la Sierra. 2001, Santa Cruz.

- 2.7 **Incipient development of the technology services market for businesses:** The data in the preceding paragraphs demonstrate that SMEs need access to appropriate technical advice which will enable them to use electronic tools in accordance with the nature, size and degree of complexity of their operations.⁷ As regards existing ICT services in Santa Cruz, there are currently 13 providers that offer Internet access services to a total of approximately 26,000 customers. Generally speaking, these ISPs have adequate technological infrastructure and offer services with the latest technology at reasonable rates (US\$7-US\$25) that are suitable for smaller businesses.
- 2.8 However, ICT consulting services for SMEs are practically non-existent. Of all the local providers that operate in Santa Cruz, there are only 39 people who work in customer service, making it impossible for a user (or business person) to receive the minimum attention required to maintain and update a simple web page. Local companies that offer ICT services to businesses focus their efforts on contracts with large companies and do not concern themselves with smaller-scale businesses, because they generate so little profit from doing business with them. The previously cited survey illustrates the frustration felt by several business people about services offered by technology experts that do not take into account the needs of SMEs.
- 2.9 **Lack of security in electronic transactions:** Creating an atmosphere of security and trust is one of the key elements needed to increase the use of the Internet and e-commerce. This notwithstanding, there are no local businesses in Bolivia that provide internationally recognized digital certification (signatures and servers), the basic tool for electronic transactions. As for the state, the Agency for the Development of the Bolivian Information Society (ADSIB) in the Office of the Vice-President of the Republic is beginning to coordinate among different government and private agencies to pass an e-commerce law. However, there is no consensus as to the basic rules and the role of the State in regulating the sector. As a result, the general public in Bolivia believes that the absence of adequate security systems means that using credit cards for online transactions remains unsafe.
- C. Lessons learned from e-commerce development in other countries in the region**
- 2.10 In order to understand the nature of the aforementioned problems, it is important to take into account lessons learned from the entry of SMEs into the e-commerce market in countries such as Argentina and Chile, where there was recently a rapid increase in the use of the Internet by SMEs. In fact, practical experience in these

⁷ For a local hotel establishment with 50 employees, it could be enough to place an attractive static page on the tourism portal in order to attract new customers, but for a travel agency with 10 employees, it would be better to develop the capacity for making online payments.

countries indicates that the obstacles currently faced by business people in Santa Cruz are recurring problems when an e-commerce market is in its infancy.

- 2.11 For example, the review of CEPRINET, a pioneering e-commerce program for SMEs in Chile, confirmed that there was “asymmetrical information between technology providers and those who run small and medium-sized businesses, and the majority of SME business people are not aware of this technology’s uses and the impact it can have on their businesses,” as well as that there would need to be “constant and patient attention to training them and reducing these asymmetries.”⁸ Likewise, the study by FUNDES Argentina⁹ on best practices in e-commerce programs for SMEs underscores the importance of providing a variety of technical assistance services in order to accommodate the businesses’ different technological levels. The same study also indicates that a strong degree of entrepreneurship on the part of business people is the decisive factor in reaping greater benefits from e-commerce.
- 2.12 As regards the security of electronic transactions, it is worth noting the experience of the Santiago Chamber of Commerce, which demonstrates the importance of the leading role played by the private sector in creating a system to monitor the ethics and conduct of local businesses that offer products and services via the Internet (self-regulation).¹⁰ Additionally, in order to increase the level of trust, it is essential that there be electronic security tools, such as the certification of digital signatures, to facilitate electronic transactions between businesses and consumers.

D. Rationale for the proposed project

- 2.13 Taking into account the lessons learned that were discussed in the preceding paragraphs, an e-commerce program for SMEs in a country with incipient development of the electronic market, as is the case in Bolivia, must begin with a pilot initiative in an area in which there is business dynamism and business people have great potential to take advantage of the new opportunities offered by e-commerce. In that regard, Santa Cruz is believed to be an ideal region for carrying out the project presented herein.

⁸ “*Programa de Conectividad Internet para las PyMEs Chilenas* [Internet Connectivity Program for Chilean SMEs],” Small Business Development, 1999, London, Author: Enrique Román.

⁹ “*Prácticas de Comercio y Negocios Electrónicos—Recomendaciones para su Aplicación en PyMEs*” [E-Commerce and E-Business Practices—Recommendations for Their Application by SMEs], FUNDES Argentina, 2002.

¹⁰ Self-regulation in e-commerce is a concept that allows for a culture of protection and respect for the consumer to develop, while at the same time avoiding the proliferation of local government regulations that tend to impose restrictions on a business that, like e-commerce, requires flexibility because it is in a constant process of technological change.

- 2.14 The proposed project will help solve the problems faced daily by Santa Cruz business people in their efforts to incorporate electronic tools that will benefit their business activities, based on CAINCO's experience in e-commerce development for SMEs in Santa Cruz (paragraph 4.2).
- 2.15 Specifically, the project will develop a wide range of technology products and services that will facilitate Internet use for SMEs according to the technological capacity of each business. At the same time, it will strengthen the link between the supply of and the demand for technology services for SMEs in the local market through seminars and different training courses. Finally, the project will support the creation and operation of the Regional (Santa Cruz) E-Business Council (CRNE), through which a model for promoting e-commerce security in the Santa Cruz region will be established.

E. Compatibility of the proposed project with the Bank's country strategy with Bolivia and complementarity with other Bank and MIF projects

- 2.16 Economic growth and the creation of opportunities is one of the three lines of action in the Bank's operational strategy for Bolivia. The proposed project is compatible with this line of action, given that it will support the creation of e-commerce opportunities for SMEs.
- 2.17 This project is the first MIF and Bank operation in the area of e-commerce in Bolivia. In terms of Bank interventions involving the use of ICTs in Bolivia, a technical cooperation program (TC-01-10-05-5) for approximately US\$150,000 was approved in 2002 to support the Ministry of the Presidency in the creation of the Bolivian Information Society. Through this operation, the National Information Society Strategy¹¹ was developed, in which this proposed project was identified as a key project for increasing business competitiveness in the e-commerce market. The project is also compatible with the government's strategy for competitiveness, given that this project's strategic sectors (textiles, tourism, lumber) are part of the Bolivian System of Productivity and Competitiveness' list of priority sectors.
- 2.18 With regard to experience within the Bank Group in promoting e-commerce opportunities for SMEs, the MIF approved three operations (Chile, Colombia, and Panama) in 2002 within the framework of the applied information and communication technology cluster.¹² These operations, which are in their initial phase of execution, cover issues of increasing knowledge on the part of businesses, the link between the supply and demand for technology services for SMEs, and consolidating the security system for electronic transactions.

¹¹ "E-Bolivi@: Lineamientos para la Estrategia de Bolivia en la Era Digital." [E-Bolivi@: Guidelines for Bolivia's Strategy in the Digital Age"], Office of the President of the Republic, 2002, La Paz, Bolivia.

¹² They are: ATN/ME-7978-CO; ATN/ME-8081-PN; and ATN/MT-8127-CH.

III. PROJECT OBJECTIVES, COMPONENTS, AND ACTIVITIES

A. Objectives

- 3.1 The overall goal of this project is to contribute to the creation of a regional model for developing e-commerce opportunities for SMEs that can be replicated in other regions of Bolivia. The specific objective is to expand the number of SMEs in the Santa Cruz region that use e-commerce tools to improve the management and performance of their businesses.
- 3.2 The project objectives will be attained through the execution of the following four components: (i) developing the potential for the use of e-commerce tools; (ii) enhancing the availability of services to assist SMEs with e-commerce development; (iii) integrating SMEs into the e-commerce market; and (iv) establishing a regional model for promoting e-commerce security.

B. Components and activities

1. Component 1. Developing the potential for the use of e-commerce tools (MIF: US\$85,000/ Local: US\$45,000)

- 3.3 The objective of this component is to develop the potential for the use of e-commerce tools. Toward that end, it calls for the implementation of three parallel actions: (i) activities to raise the awareness of SMEs about the benefits of using electronic tools in developing business opportunities; (ii) workshops on specific ICT-related topics for businesses that are in a position to use ICTs on a continual basis; and (iii) workshops for companies in those industries that stimulate the demand for use of ICTs (telecommunications, logistical services, technology service providers, and banks, among others).
- 3.4 Awareness-building among SMEs will begin with a kick-off conference to be attended by 400 participating SMEs. Subsequently, 10 seminars on e-commerce practices will be organized, directed at 50 businesses each. Each seminar will involve speakers with international experience and will include the presentation of case studies of successful businesses. To attract greater participation in these activities, a consultant will be contracted to design a publicity campaign to promote the technology services that the project will provide to SMEs. Further, to establish a baseline with regard to the project's impact on beneficiary SMEs, this component will include the contracting of a firm to conduct ICT knowledge surveys of 400 companies participating in the seminars as well as 100 companies that are not participating. These same companies will be visited again at the end of the execution period to measure the impact of the project.
- 3.5 At the same time, the project will support workshops on specific ICT-related topics for 100 business people (executive level) who wish to use technology tools to boost

their business performance. The awareness-building seminars and the surveys will be used to identify the demand for specific workshops. Consultants with international experience will be contracted to design the materials and give workshops on the selected topics. Five five-day workshops are expected to be held for 20 persons each.

- 3.6 Finally, three workshops will be arranged for larger-scale companies (telecommunications, logistical services, technology service providers, banks, etc.) in those industries that have great potential to stimulate demand for the use of ICTs among SMEs.

2. Component 2. Enhancing the availability of services to assist SMEs with e-commerce development (MIF: US\$50,000/ Local: US\$27,000)

- 3.7 As mentioned earlier, there are not enough technology and consulting services available to SMEs in Santa Cruz. This component aims to fill the void by conducting training courses for local professionals who in turn could become consultants specializing in providing technology consulting services to SMEs.¹³
- 3.8 First, a firm specializing in training business ICT consultants and a local instructor will be hired to teach the training courses for a total of 50 local professionals. Instructors with international experience will come to Santa Cruz with an already proven training methodology and will work together with the local instructor to adapt the teaching materials to the local context. It is expected that the local instructor, having mastered the teaching methodology, will take charge of teaching the courses as part of CAINCO's ongoing training services.
- 3.9 Once the courses have ended, CAINCO will create and maintain a database of those consultants that have successfully completed the course. In theory, the trained consultants will be free to offer their services to businesses in the marketplace. However, since most of the demand for their services will come as a result of the project's awareness-building activities, it is expected that the majority of consultants would report to CAINCO to market their services to clients of SMEs.

3. Component 3. Integrating SMEs into the e-commerce market (MIF: US\$290,600/ Local: US\$62,600)

- 3.10 The objective of this component is to provide various essential technology services that might facilitate the entry of Santa Cruz SMEs into the e-commerce market.

¹³ To estimate the potential demand for the training course, CAINCO published a call for expression of interest in the local newspaper, as a result of which 98 *curricula vitae* were received from professionals interested in the course.

- 3.11 **Digital certificate issuing service:**¹⁴ For a company wishing to make transactions via electronic media, obtaining a digital signature certificate is of the essence, since the validity of its transactions may depend on it. In Latin America and in other regions of the world, several Chambers of Commerce have taken the lead in offering these services as a natural extension of other business services they provide to their members and to businesses.
- 3.12 In Bolivia, at present, the use of credit cards and other services requiring electronic identification is limited. However, their use is expected to increase significantly, especially given the development of electronic markets for transactions between businesses (B2B) and the introduction of portals offering government services for citizens and businesses, such as e-procurement and e-filing of taxes.¹⁵
- 3.13 With a view to limiting both investment in infrastructure and technological and financial risk, CAINCO will acquire licenses or sign agreements to resell the digital certification services (server and signature) of large, international-level providers. To ensure that CAINCO finds the best available option, the project will cover the costs of an international consultant to analyze the scope of demand, the types of certification services that CAINCO will offer, and the equipment and training of human resources required to provide those services. Further, to speed up growth in the demand for digital certification, the project will provide funding for technical and legal assistance in formalizing cooperation agreements with other public and financial institutions that may adopt digital signatures as a tool for validating electronic transactions.
- 3.14 **Virtual presence service for SMEs:** The basic hosting service proposed here is for businesses that wish to expand their Internet presence for marketing purposes. CAINCO will sign a contract with a hosting provider to acquire a limited number of accounts on the e-commerce portal to be used by the selected businesses. This arrangement will enable CAINCO to negotiate better economic conditions for the businesses, and at the same time charge participants a reasonable commission to cover the operating costs of this service. To bolster the credibility of the companies participating in the portal, the pages could indicate that the companies are affiliated with CAINCO, if the companies so desire.
- 3.15 To set up this service, an expert with international experience will be hired to perform an assessment of the requirements and technical specifications of an e-

¹⁴ A digital certificate uses a code that enables a website to receive encrypted information. The user who sends information in this manner is assured that it is impossible for a hacker to hack into it, since the information is changed into algorithms, such that no one can decipher them except the company that owns the certificate and the website.

¹⁵ In fact, in May of 2003, the Government of Bolivia formalized an agreement with the Government of Brazil for the joint implementation of a computerized public procurement system for announcing and conducting public bidding.

commerce hosting service for SMEs in Santa Cruz. The consultant will assist in rating, selecting, and formalizing the contract with the provider that submitted the best offer. About 60 SMEs are expected to participate in the pilot phase of the service. To stimulate demand for this service, the project will provide on-line marketing as well as partial funding (a maximum of 50 percent of the initial investment cost, for a maximum amount of \$200 per grant) of the costs of designing a web page or product catalogs.

- 3.16 **Development of sector-specific e-commerce strategies and services:** This activity will assist businesses in three sectors with a significant presence in the regional economy by means of a common strategy that will enable them to break into electronic markets. The analysis conducted during project preparation pre-identified the tourism, lumber, and textile industries¹⁶ as priority areas for receiving sector support for e-commerce. The project will confirm the selection of these sectors and will identify about 45 businesses for participation (15 businesses per sector). Experts with international experience in e-commerce development for each sector selected will be hired to define sector strategies. These consultants, along with local consultants, will analyze where the participating businesses stand with regard to existing business opportunities and will then propose a viable scenario for entering the electronic market. Also, the consultants will recommend various measures that participating businesses can use to leverage ICTs and improve their business performance.
- 3.17 In principle, participating businesses should have the necessary resources—hardware and software—to benefit from the technology services provided under this component. Specific criteria for selecting the participating businesses will be established, including the following: (i) experience in international markets; (ii) Internet access; (iii) ability to pay for consulting costs; (iv) human resources trained in using the Internet; and v) a company web page. Further, to qualify to receive the services under this component, the businesses will be required to submit evidence to the project team of a good track record in terms of complying with applicable environmental regulations regarding environmental protection, appropriate management or utilization of natural resources, and occupational health and safety. These services will be available to both CAINCO members and non-members.
- 3.18 Additionally, resources available under this component will be used to hire one technical assistant to ensure the quality and comprehensiveness of the services rendered by contracted providers, and another to monitor sales of services and how these services are received by the businesses that use them. These assistants, under the supervision of the project coordinator (paragraph 4.4), will work in coordination

¹⁶ For details of the feasibility study of e-commerce in these industries, see the report by Lourdes Reyes, project consultant.

toward constant improvement in the quality of the technology services offered to SMEs, providing feedback and suggestions to the businesses during the implementation process.

4. Component 4. Establishing a regional model for promoting e-commerce security (MIF: US\$79,000/ Local: US\$19,000)

- 3.19 The aim of this component is to establish a regional model for promoting security in electronic commerce in the Santa Cruz region. Toward that end, the project will assist in the creation and operation of the Regional (Santa Cruz) E-Business Council (CRNE).
- 3.20 The Council will be a flexible coordinating body through which representatives from the private sector in Santa Cruz will take coordinated and concerted steps to define security standards and policies that encourage the use of electronic tools for transactions and exchange of information in the area of e-commerce.¹⁷ Specifically, the Council will pursue two main activities to promote e-commerce security: (i) with the businesses' participation, implement a pilot initiative for self-regulation based on good e-commerce practices; and (ii) draw up a proposal for e-commerce draft legislation.
- 3.21 With regard to the first activity, the Council will launch a pilot initiative called the "Seal of Confidence" program, under which a seal will be awarded to those businesses that adhere to the standards of conduct (privacy protection, security, and good Internet practices, among others) that companies ought to follow in their e-commerce operations. The seal, which can be placed visibly on the website, will enable the user to recognize immediately and clearly that the website meets the standards established by the Council. CAINCO, acting as the Council's technical secretariat, will be in charge of promoting and implementing the program and verifying adherence to standards on the part of the businesses. To obtain and renew the seal, interested businesses must pay an annual fee and submit to external audits when the Council receives complaints regarding a business' non-compliance with standards. The Council, for its part, will publish the list of participating businesses as "businesses with good Internet practices," for which CAINCO will create and maintain a database of those businesses.
- 3.22 For the implementation of this initiative, the project will cover the cost of hiring a consultant specializing in e-commerce security systems, who, together with Council members, will draw up the standards, design the operating procedures for the "seal

¹⁷ Council members will include: the Association of Private Banks of Bolivia (ASOBAN), Santa Cruz Private University (UPSA), Gabriel Rene Moreno Autonomous University, the Santa Cruz Telecommunications Cooperative (COTAS), the Departmental Prefecture of Santa Cruz, and CAINCO, which will act as the Technical Secretariat of the Council. The Agency for the Development of the Bolivian Information Society (ADSIB) of the Office of the Vice-President will participate as an observer.

- of confidence” issuing service, and train a group of local professionals to perform the periodic audits of the companies participating in the pilot initiative. About 30 companies are expected to have obtained the seal of confidence by the end of the project.
- 3.23 In addition, the Council will carry out joint actions with government agencies involved in issues of e-commerce to prepare a proposal for draft e-commerce legislation.¹⁸ The rationale for this intervention is that although the Council is a regional one, Santa Cruz’s dynamic private sector, paired with CAINCO’s ability to work with the public sector in connection with the enactment of laws affecting the private sector, makes this Council the ideal agent for conducting the process of building consensus between the private and public sectors with regard to the law in question.
- 3.24 Specifically, project resources will be used to hire two experts, one expert with international experience specializing in regulatory frameworks for e-commerce, and one expert in Bolivian law. To ensure that the proposal is the product of due consensus-building among entities from both the private and public sectors, the following actions will be undertaken: (i) the terms of reference for the consulting contracts will be prepared jointly by CAINCO and ADSIB; (ii) the Council will organize a series of round-table discussions to enable representatives from different sectors to participate in the process of working on the draft law headed up by the consultants. The final proposal will be submitted to the corresponding government authorities.

IV. EXECUTING AGENCY AND EXECUTION MECHANISM

- 4.1 The executing agency for this project is the Santa Cruz Chamber of Industry, Commerce and Services (CAINCO). CAINCO, which was founded in 1915, is a not-for-profit trade organization. A leading national business institution, it represents 1,300 industrial, commercial and service companies from the Department of Santa Cruz. CAINCO interacts with both domestic and international organizations in several ways to acquire the knowledge it needs to offer a range of services that meet the current needs of the business sector. Notable among past efforts is the creation of the Center for Competitiveness and Business Development (CCyDE), through which CAINCO works directly with representative organizations from the business sector.

¹⁸ The basic objective of the E-Commerce Law, in broad terms, is to establish both the legal validity of transactions that take place through electronic media and the parameters for sanctions. However, there are instances in which legal initiatives tend to overregulate matters related to e-commerce, despite the fact that it is impossible for regulatory laws to keep up with the rapid rate of change seen in the electronic market. For this reason, it is essential that the private sector participate actively in the enactment of this law so as to avoid the proliferation of local legislation that might stifle the development of e-commerce.

- 4.2 In 2002, CAINCO established a technical unit called **e-C@inco** for the purpose of promoting services that would allow SMEs in Santa Cruz to penetrate the e-commerce market. The creation of **e-C@inco** enabled CAINCO to perform an analysis of available services and the general needs of the Bolivian market, which then served as the conceptual basis for the proposed project. Additionally, CAINCO has played a leading role in representing the business sector before the government with regard to the enactment of laws affecting the private sector.¹⁹
- 4.3 CAINCO has an established track record with the MIF; it currently manages the Commercial Arbitration and Conciliation Program (ATN/MT-7180-BO), which has made significant progress. The experience gained through this operation will allow CAINCO to manage the proposed project efficiently.
- 4.4 **Execution mechanism:** For the execution of the project, CAINCO will create an Executing Unit (EU) comprising a Project Coordinator and an accountant. The coordinator of **e-C@inco** will provide guidance to the EU with regard to the technical aspects of the project's activities and relations with participating businesses. The EU will be in charge of coordinating actions, managing project activities, monitoring the administrative process, and managing the budget through established procedures and coordination with those institutions that will make up the CRNE. The EU is required to render accounts and submit administrative and technical reports to the Bank's Country Office in Bolivia (COF/CBO). The EU will be supervised by CAINCO's Business Services Manager. In order to ensure that all of the proposed activities are executed effectively and in a coordinated manner, the EU will draft the project's Operating Regulations.
- 4.5 **Revolving fund:** MIF resources and local counterpart funds will be deposited into a special CAINCO account with a local bank. A revolving fund equal to 10 percent of the amount allocated by the MIF will be created in order to facilitate the flow of funds.
- 4.6 **Accounting and audits:** CAINCO must maintain an appropriate system of internal project resource management and accounting controls. The accounting system should be organized in such a way as to provide the documentation needed to verify transactions and facilitate the timely preparation of financial statements and reports. The project's accounting records should be handled such that: (i) they permit the identification of amounts received from different sources; (ii) they specify, in accordance with the chart of accounts approved by the Bank, project outlays made with both the MIF contribution and other funds that must be provided for its full

¹⁹ CAINCO successfully lobbied the government in the passing of the following laws: *Ley del Mercado de Valores* [Securities Market Act]; *Ley de Conciliación y Arbitraje* [Conciliation and Arbitration Act]; *Ley de Reactivación Económica* [Economic Revitalization Act]; and *Ley del Fondo Especial de Reactivación Económica* [Special Economic Revitalization Fund Act]. Recently it worked on the modernization and reform of the Commercial Code.

- execution; (iii) they include the information necessary to identify goods procured and services contracted as well as the utilization of said goods and services; and (iv) they show the cost of activities in each component. CAINCO will submit a final financial statement relative to expenditures made with the MIF's contribution and local counterpart funds. This financial statement should be audited by an independent auditing firm acceptable to the Bank and submitted in accordance with the Bank's auditing requirements.
- 4.7 **Reports:** CAINCO will be responsible for preparing semi-annual progress reports in which it will document the activities carried out in the preceding six months. It will also prepare an operating plan and a disbursement schedule for the subsequent period in accordance with the indicators contained in the project's logical framework. These reports will be submitted to COF/CBO for its approval in the 60 days following the end of each six-month period. Likewise, COF/CBO will be in charge of providing a report to the MIF indicating the project's outcomes three months after the project has been completed.
- 4.8 **Monitoring:** The COF/CBO will be responsible for monitoring on this project. CAINCO will be responsible for compiling and analyzing relevant information in order to continually monitor the main indicators set forth in the logical framework in Annex I of this document. CAINCO and the Bank will use these indicators to monitor and evaluate the project, and they should be taken into consideration in the preparation of the semi-annual progress reports as well as the mid-term and final evaluations.
- 4.9 **Procurement:** CAINCO will procure goods and services and contract the consulting services necessary for project execution in accordance with those Bank and MIF policies and procedures that govern these matters.
- 4.10 **Degree of preparation:** The project is in an advanced state of preparation. CAINCO, with the support of the Bank's team, has prepared the following documents that will form part of the project's Operating Regulations: draft terms of reference for the main consultants; the activities timeline; selection criteria for participating businesses as well as for candidates for training courses; and the mechanism for providing grants to businesses. A draft of the CRNE Agreement has also been prepared.
- 4.11 **Environmental and social feasibility:** The CESI reviewed the abstract for this operation during meeting 18-03 held on 16 May 2003, requiring no special evaluations or actions. It recommended to the project team that the Operating Regulations' eligibility criteria to be met by participating businesses include a good track record in terms of complying with applicable environmental regulations pertaining to environmental protection, appropriate management or use of natural resources, and occupational health and safety (paragraph 3.17). That element is

being incorporated into the Operating Regulations as a condition precedent to the first disbursement of funds.

V. COST, SOURCE OF FINANCING, AND RECOVERY OF COSTS

- 5.1 The total cost of the project is estimated at US\$890,000, which breaks down into: (i) US\$626,000 from the Bank with nonreimbursable MIF resources (Facility III-A, Small Enterprise Development) and (ii) US\$264,000 in counterpart resources to be contributed by local entities. A summary of the primary categories of cost and project financing are presented below. The detailed budget can be found in the project technical files.
- 5.2 The budget includes funding for CAINCO to participate in identifying and disseminating the lessons learned and best practices for the corresponding MIF cluster and in the inter-program cooperation workshops that the MIF will sponsor during project execution.

COSTS (US\$)

Budget items	MIF	Local	Total
Component 1: Developing the potential for the use of e-commerce tools	85,000	45,000	130,000
Component 2: Enhancing the availability of technical assistance services for SMEs	50,000	27,000	77,000
Component 3: Integrating SMEs into the e-commerce market	290,600	62,600	353,200
Component 4: Establishing a regional model for promoting e-commerce security	79,000	19,000	98,000
Project administration	54,000	99,720	153,720
Evaluations and audits	55,000	0	55,000
Contingencies	12,400	10,680	23,080
TOTAL	626,000	264,000	890,000
%	70	30	100

- 5.3 **Execution and disbursement periods:** The execution period for this project will be 36 months; the disbursement period will be 42 months.
- 5.4 **Sustainability:** To ensure the continuity of the project's activities, it is essential that measures be taken to minimize operating costs. Hence, the strategy elected for the project is to subcontract with existing providers and then broker technology services to the SMEs, thus obviating the need for a major initial investment in technology infrastructure and the high cost of maintaining it. Thanks to this strategy, the project's operating costs—about US\$50,000 per year—will remain at a

quite reasonable level, despite the highly technological nature of the operation. Estimates indicate that the sale of digital certification and hosting services to local companies will generate sufficient revenues to enable CAINCO to maintain or expand its activities related to ICT promotion and training and publicizing the benefits of e-commerce. Moreover, once SMEs clearly see the benefits of contracting ICT consulting services, CAINCO will have no trouble continuing to offer training in ICT solutions for SMEs to local consultants as part of its business services.

VI. PERFORMANCE INDICATORS AND EVALUATION

- 6.1 The Bank will hire external consultants to conduct two evaluations: a mid-term evaluation to be performed 18 months after the first disbursement, and a final evaluation three months after the execution period has ended. The terms of reference for these evaluations will be prepared by the Bank in collaboration with CAINCO.
- 6.2 The mid-term evaluation will analyze the degree of progress and overall performance of the project, with particular emphasis on: (i) the increase in potential use of e-commerce tools among participating businesses; (ii) demand among SMEs for ICT application services; and (iii) the number and technical level of local consultants offering services to support SMEs interested in applying ICTs; (iv) the extent to which digital certification and hosting services are used; (v) the degree of progress in developing the sector strategies; and (vi) the degree of progress in implementing the seal of confidence program and drawing up the preliminary draft e-commerce law.
- 6.3 For the final evaluation, the external consultants assess the project's impact on the beneficiary SMEs, as well as the overall outcomes of all the components. The consultants will use the Logical Framework found in Annex I. CAINCO and its partners will provide access to all the information and documentation needed to carry out these evaluations.

VII. PROJECT BENEFITS AND RISKS

A. Benefits

- 7.1 The project will offer a wide range of technology services specifically designed to facilitate the entry of SMEs into the e-commerce market. The execution of the project is expected to produce the following outcomes: (i) between 400 and 500 SMEs in Santa Cruz will develop the potential to use e-commerce tools; (ii) 50 local professionals will become consultants specializing in technical consulting services for SMEs; (iii) 45 SMEs will receive assistance in

- implementing sector-specific e-commerce strategies; (iv) 30 businesses will obtain seals of confidence; (v) 40 businesses will receive digital certification; and (vi) 60 SMEs will have a virtual presence through electronic catalogs on the internationally recognized digital portal. In addition, the project will create a private regional coordinating body that will promote security and trust in e-commerce.
- 7.2 The project will offer products and services that will assist the SMEs in solving recurring problems that have not allowed them to use electronic tools for their business, thus making it easier for them to take advantage of business opportunities that exist in the e-commerce market. The project will also develop the local technology services market for SMEs, with a focus on strengthening the link between the supply and demand for those services. Finally, through the creation of the Regional E-Business Council, the culture and good practices of e-commerce in Bolivia will be fostered.
- 7.3 It is hoped that the experience gained in the framework of this project will serve as an **innovative** e-commerce development model for SMEs, one that will be **replicated** in other departments of the country and eventually in countries with a less advanced electronic market. In this regard, the participation of the MIF in this project is key, given that it will ensure that international knowledge and best practices in the development of e-commerce for SMEs are reflected during the entire project execution phase (**additionality**).

B. Risks

- 7.4 The sustainability of the project will depend on a greater use of those technology services that CAINCO will develop for the SMEs. Although these services were identified through a detailed analysis of the demand expressed by potential project beneficiaries, one cannot completely rule out the possibility that external factors, such as limitations in terms of means of electronic payment and the scant use of credit cards, might slow growth in the use of electronic tools to generate and complete business transactions in the country. In that regard, it is worth noting that the reduced operational cost of the project would minimize the potential negative impact of external factors that affect the sale of project services. Additionally, during the preparation phase of the project, assumptions were identified that could affect the scope of the specific project objectives (see the Logical Framework). The project, through the Executing Unit, will monitor these assumptions and will adjust activities as needs arise.

VIII. SPECIAL CONTRACTUAL CLAUSES

- 8.1 As conditions precedent to the first disbursement of funds, CAINCO will present the following to the Bank's satisfaction: (i) evidence that the project Executing Unit has been created (paragraph 4.4); and (ii) the final version of the Operating

Regulations (paragraph 4.4). Moreover, the disbursement of Component 4 resources will be contingent upon the presentation of evidence that the Regional E-Business Council has been formed (paragraph 3.19).

DEVELOPING E-COMMERCE OPPORTUNITIES FOR SMEs IN THE SANTA CRUZ REGION

(TC-02-01-03-7-BO)

LOGICAL FRAMEWORK MATRIX

NARRATIVE SUMMARY OF OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
GOAL			
Contribute to the creation of a regional model for developing e-commerce opportunities for SMEs that can be replicated in other regions of Bolivia.	<ul style="list-style-type: none"> Other entities (national and/or departmental) execute actions related to e-commerce development for SMEs based on the experience gained within the framework of this project. 	<ul style="list-style-type: none"> Records of communication between CAINCO and entities interested in replicating the experience. Report of the Agency for the Development of the Bolivian Information Society (ADSIB) on the growth of e-commerce in Bolivia 	
PURPOSE			
Expand the number of SMEs in the Santa Cruz region that use e-commerce tools to improve the management and performance of their businesses.	<p>By the end of the project:</p> <ul style="list-style-type: none"> 50% of the 45 businesses that participated in the integration and sector strategy process and 80% of the 30 businesses certified with “seals of confidence” show increased contacts, management efficiency, business opportunities and/or sales of products and/or services through e-commerce. 50% of the 400-500 businesses that participated in awareness-building show greater use of electronic tools in conducting business (ordering, communicating with clients, etc.). 	<ul style="list-style-type: none"> Final evaluation Initial and final surveys Consultants’ report Progress reports 	<ul style="list-style-type: none"> Establishment of a favorable regulatory framework for the use of e-commerce by businesses. Government promotion of e-commerce development among SMEs based on the experience gained through this project. Availability of a means of electronic payment in the local market.

NARRATIVE SUMMARY OF OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
COMPONENTS			
Component 1 Developing the potential of SMEs in Santa Cruz to use e-commerce tools.	<ul style="list-style-type: none"> • During the execution period, 200 SMEs request supplementary information on technology consulting services. • After the specific workshops have been held, 50 SMEs require technology consulting services each year. • Of the businesses participating in the activities under Component 1 (400-500), at least 50% put the knowledge they acquire about the use of ICTs into practice. 	<ul style="list-style-type: none"> • Record of requests • Progress reports • Consultants' report • Coordinator's reports • Surveys 	
Component 2 Enhancing the availability of services to assist SMEs with e-commerce development.	<ul style="list-style-type: none"> • Of 50 consultants trained, 25 provide services to SMEs on a continual basis. 	<ul style="list-style-type: none"> • Database of consultants • Consultants' (instructors') reports • Training records • Records of consultant database searches • Progress reports 	<ul style="list-style-type: none"> • The trained consultants continue to offer their services to SMEs in the Santa Cruz region.
Component 3 Integrating SMEs into the e-commerce market.	<ul style="list-style-type: none"> • 40 digital signatures are certified and 10 servers have digital certification by the end of the project. • 2 bilateral agreements are signed to create demand for digital certification.⁵ 	<ul style="list-style-type: none"> • International consultants' reports • Records of issuance of digital certificates • Business records of the businesses participating in the digital market • Progress reports • Monitoring assistants' reports 	<ul style="list-style-type: none"> • The products and services offered by the businesses participating in Component 3 are sufficiently competitive in the e-commerce market. • SMEs are willing to make the suggested investments called for by the sector strategies.

NARRATIVE SUMMARY OF OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
	<ul style="list-style-type: none"> 60 SMEs have a virtual presence via electronic catalogs by the end of the project. 45 SMEs are implementing their sector e-commerce strategy by the end of the project. 		
Component 4 Establishing a regional model for promoting e-commerce security.	<ul style="list-style-type: none"> 30 businesses have obtained a seal of confidence. A preliminary draft law has been framed, shared, agreed to by consensus and submitted to the corresponding government authorities. 	<ul style="list-style-type: none"> Reports and minutes of the Regional E-Business Council Proof of delivery and/or evidence of the corresponding authorities' receipt of the preliminary draft law proposal Progress reports Coordinator's report 	<ul style="list-style-type: none"> The businesses that obtain a seal of confidence follow the standards of conduct established by the CRNE.
ACTIVITIES			
Component 1 A. Awareness-building among SMEs with limited knowledge about ICTs 1.1 Regional conference to kick off the project. 1.2 Seminars to transfer new knowledge about e-commerce practices and their implementation. 1.3 Baseline and final surveys.	MIF: US\$85,000 Local: <u>US\$45,000</u> Total US\$130,000	<ul style="list-style-type: none"> Records of participants Accounting records Progress reports Coordinator's reports 	

NARRATIVE SUMMARY OF OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
B. Specific workshops 1.4 Workshops on specifically identified ICT-related topics. 1.5 Workshops for businesses that could potentially stimulate the demand for use of ICTs (telecommunications, logistical services, technology service providers, banks, among others).			
Component 2 A. Training courses for local SME consultants on the utilization of electronic tools. 2.1 Hiring instructors to train 50 local consultants/professionals 2.2 Creation of a database of consultants	MIF: US\$50,000 Local: <u>US\$27,000</u> Total US\$77,000	<ul style="list-style-type: none"> Records of participants Accounting records Progress reports Coordinator's reports 	<ul style="list-style-type: none"> The majority of the consultants trained apply their new knowledge and techniques in providing services to SMEs.
Component 3 A. Digital certificate issuing service 3.1 Analysis by consultants of demand, type of digital certification services (signature and/or servers) and the technology requirements for the services of the solutions providers. 3.2 Purchase (or upgrade) of a license for digital certification from an internationally recognized firm.	MIF: US\$290,600 Local: <u>US\$62,600</u> Total US\$353,200	<ul style="list-style-type: none"> Service agreement Training materials Progress reports Coordinator's reports Records of participating businesses Monitoring assistants' reports Accounting records 	<ul style="list-style-type: none"> Businesses benefit from the services provided under this component and pay the corresponding fees.

NARRATIVE SUMMARY OF OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p>3.3 Purchase (or upgrade) of equipment and training of CAINCO's human resources to provide the issuing services.</p> <p>3.4 Technical and legal assistance for formalizing bilateral agreements for the use of digital signatures.</p>			
<p>B. Virtual presence service for SMEs</p> <p>3.5 Analysis to identify, evaluate, and select from among existing e-commerce hosting services (both national and international) to ensure that SMEs can market their services and products on the Internet.</p> <p>3.6 Establishment of criteria for selecting businesses according to their ability to contribute. Criteria may include: technological level of the businesses, having earned a digital certificate, seal of confidence.</p> <p>3.7 Selection of participating businesses.</p> <p>3.8 Leasing and personalization of hosting platform.</p> <p>3.9 Internet marketing service for the businesses.</p> <p>3.10 Technical assistance for creating catalogs and websites for generic businesses.</p>		<ul style="list-style-type: none"> • Service agreement • Training materials • Progress reports • Coordinator's reports • Records of participating businesses • Monitoring assistants' reports • Accounting records 	

NARRATIVE SUMMARY OF OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p>C. Development of sector e-commerce strategies and services</p> <p>3.11 Validation of the 3 sectors selected</p> <p>3.12 Development by consensus of the strategy for each sector selected.</p> <p>3.13 Technical assistance with business ICTs.</p>			
<p>Component 4</p> <p>A. Creation and operation of the Regional (Santa Cruz) E-Business Council</p> <p>4.1 Creation of the Council.</p> <p>4.2 Establishment of “Standards of Conduct” to be applied by SMEs operating in the electronic market.</p> <p>4.3 Design of internal procedures for the “seal of confidence” issuing service.</p> <p>4.4 Training CAINCO personnel and external auditors to award the “seal of confidence” and audit the recipients.</p> <p>4.5 Creation of database.</p>	<p>MIF: US\$79,000</p> <p>Local: US\$<u>19,000</u></p> <p>Total US\$98,000</p>	<ul style="list-style-type: none"> Records of participants Accounting records Coordinator’s reports Signed agreement creating the Council Procedural Guide Progress reports Consultants’ reports Database of the businesses certified with a seal of confidence 	<ul style="list-style-type: none"> Commitment of public and private sector to supporting the creation and operation of the Council.
<p>B. Improvement of the legal framework</p> <p>4.6 Preparation of preliminary draft e-commerce law agreed to by consensus between the private and public sectors.</p>		<ul style="list-style-type: none"> Consultants’ reports Preliminary draft law proposal 	<ul style="list-style-type: none"> Will on the part of the public and private sectors to come to a consensus on the preliminary draft law.